UNITED STATES INTERNATIONAL TRADE COMMISSION Washington, DC 20436

MEMORANDUM ON PROPOSED TARIFF LEGISLATION of the 109th Congress 1

[Date approved: September 20, 2005]²

Bill No. and sponsor: H.R. 21	51 (Mr. Henry E. Brown of South Carolina)
Proponent name, location:	LANXESS Corporation Goose Creek, SC
Other bills on product (109 th (Congress only): None.
Nature of bill: Temporary dut	y suspension through December 31, 2009.
Retroactive effect: None.	
Suggested article description(s) for enactment (including appropriate HTS subheading(s)):
2-(Morpholinothio)benzothiazo	ole (CAS No. 102-77-2) (provided for in subheading 2934.20.15).
	me as that in bill as introduced fferent from that in bill as introduced (see Technical comments section)
Product information, includir	ng uses/applications and source(s) of imports:

Vulkacit MOZ, the subject product, is a sulfenamide accelerator, which delays the onset of cure. The subject product is used in the production of tires and dynamically stressed technical rubber parts such as buffers and conveyor belts. It is also suitable for technical moldings and extrudates like seals, hoses, strip footwear, cable sheathing, and insulation.

The subject compound is imported from Belgium. There are no other known U.S. importers of the subject compound; however, competitive products are imported from Europe, South America, and East Asia. Vulkacit MOZ is produced in the United States by Noveon, a wholly-owned subsidiary of Lubrizol Corporation. However, the proponent claims that Noveon's limited capacity is insufficient to meet demand. Uniroyal and Flexsys recently terminated production of sulfenamides, such as the subject product, at their facilities in Mexico and Nitro, WV, respectively.

¹ Industry analyst preparing report: Jeff Clark (202-205-3318); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm

Estimated effect on customs revenue:

HTS subheading: <u>2934.20.15</u>					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	6.5%	6.5%	6.5%	6.5%	6.5%
Estimated value <i>dutiable</i> imports	\$588,000	\$600,000	\$620,000	\$640,000	\$660,000
Customs revenue loss	\$38,220	\$39,000	\$40,300	\$41,600	\$42,900

Source of estimated dutiable import data: Industry estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?	
			(Yes/No)		
LANXESS Corporation (proponent) Michael Assaf, 412-809-3687	08/01/2005	No	No	No	
BASF Corporation Fom Coleman, 202-289-3900	08/01/2005	No	No	No	
Bayer Corporation Karen Niedermeyer, 412-777-2058	08/01/2005	No	No	No	
Ciba Specialty Chemicals John Deming, 202-857-5200	08/01/2005	No	No	No	
DuPont Chemical Elaine Olsen, 302-992-2263	08/01/2005	No	No	No	
Lubrizol Corporation David Cowen, 440-943-4200	08/15/2005	Yes	Yes	Yes	
Noveon, Inc. Pete Getzinger, 330-374-3577	08/08/2005	Yes	No	No	

Technical comments:³ None.

³ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS 1ST SESSION

H. R. 2151

To suspend temporarily the duty on Vulkacit MOZ/LG and Vulkacit MOZ/SG.

IN THE HOUSE OF REPRESENTATIVES

May 5, 2005

Mr. Brown of South Carolina introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend temporarily the duty on Vulkacit MOZ/LG and Vulkacit MOZ/SG.

1	Be it enacted by the Senate and House of Representa-
2	tives of the United States of America in Congress assembled,
3	SECTION 1. VULKACIT MOZ AND VULKACIT MOZ/SG.
4	(a) In General.—Subchapter II of chapter 99 of
5	the Harmonized Tariff Schedule of the United States is

6 amended by inserting in numerical sequence the following

7 new heading:

"	9902.06.02	2-					
		(morpholinothi-					
		o)benzothiazole (CAS No.					
		102-77-2) (provided for in					
		subheading 2934.20.15)	Free	No change	No change	On or before	
						12/31/2009	".

- 1 (b) Effective Date.—The amendment made by
- 2 subsection (a) applies to goods entered, or withdrawn from
- 3 warehouse for consumption, on or after the 15th day after

4 the date of the enactment of this Act.

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